

AMENDED IN ASSEMBLY JULY 15, 2009

AMENDED IN ASSEMBLY JUNE 15, 2009

AMENDED IN SENATE MAY 28, 2009

AMENDED IN SENATE MAY 20, 2009

AMENDED IN SENATE MAY 5, 2009

AMENDED IN SENATE APRIL 14, 2009

SENATE BILL

No. 488

Introduced by Senator Pavley

February 26, 2009

~~An act to add and repeal Section 9505 to, and to add and repeal Chapter 6.1 (commencing with Section 2795) of Part 2 of Division 1 of, An act to amend Section 25310 of the Public Resources Code, and to add and repeal Sections 715 and 9615.5 of the Public Utilities Code, relating to energy.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 488, as amended, Pavley. Energy: energy usage information.

(1) Under existing law, the Public Utilities Commission (*PUC*) has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined. The existing Public Utilities Act requires *the PUC to review and adopt a procurement plan for each electrical corporation. The act requires the PUC, in consultation with the State Energy Resources Conservation and Development Commission (Energy Commission), to identify all potentially achievable cost-effective electricity efficiency savings and to establish efficiency targets for an electrical corporation to achieve*

pursuant to its procurement plan. The act requires that an electrical corporation's procurement plan include a showing that the electrical corporation will first meet its unmet resource needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. The act requires the PUC, in consultation with the Energy Commission, to identify all potentially achievable cost-effective natural gas efficiency savings and to establish efficiency targets for the gas corporation to achieve these targets and to require that a gas corporation first meet its unmet gas resource needs through all available natural gas efficiency and demand reduction resources that are cost effective, reliable, and feasible. The act requires each electrical corporation and each gas corporation to disclose on the residential customer's billing statement specified information on usage and cost, and contact information for the commission's PUC's Consumer Affairs Branch, and to make available online to residential customers specified information on usage and energy conservation measures. The act authorizes the commission PUC to modify, adjust, or add to these requirements as the individual circumstances of each electrical corporation or gas corporation merit, or for master-meter customers, as individual circumstances merit. The act requires the commission PUC, as part of the general rate case of an electrical corporation or gas corporation, to assess opportunities to improve the quality of information contained in the utility's periodic billings.

~~This bill would require the commission, on or before July 1, 2010, to require each electrical corporation and each gas corporation with more than 55,000 residential customer service connections that does not already have such a program, to adopt a pilot program to disclose, not less frequently than quarterly, either in a separate mailing or on the billing statement of a residential subscriber, information documenting the amount of energy used by the metered residence compared to similar residences in the subscriber's geographical area. The bill would require the commission to require each electrical corporation and each gas corporation with more than 55,000 residential customer service connections, to identify those residences that used significantly more energy during the period than was used by similar residences with comparable household square footage in the subscriber's geographical area and to ensure that information is provided most frequently to those subscribers on energy saving strategies or programs available to assist in financing energy efficiency improvements, in addition to the above-described information relative to energy usage. The bill would~~

~~require that the cost of any pilot program adopted pursuant to these requirements be recovered only from the residential ratepayers of the electrical corporation or gas corporation. The bill would require each electrical corporation and each gas corporation with more than 55,000 residential customer service connections, on or before July 1, 2011, and each July 1 thereafter, to submit to the commission and the Legislature a report on the energy savings resulting from the pilot program adopted by the utility each electrical corporation and gas corporation having a comparative energy usage disclosure program, as defined, to report to the PUC the nature of the utility's program and the energy savings resulting from that program on or before March 15, 2010, and each March 15 thereafter to, and including, March 15, 2015. The bill would allow an electrical corporation or gas corporation that has not completed the implementation of its program prior to March 15, 2010, to make its initial report to the PUC on or before March 15, 2011. The bill would require the PUC, using an experimental design, as defined, to evaluate the information supplied by electrical corporations and gas corporations relative to their comparative energy usage disclosure programs and to determine the net energy savings that are currently being achieved and which could be achieved through expansion of comparative energy usage disclosure programs. The bill would require the PUC to report to the Energy Commission and the Legislature on the results of its evaluation and any action undertaken by the PUC in response to the evaluation. These requirements would become inoperative on July 1, 2014 2015, and would repeal on January 1, 2015 2016.~~

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the ~~commission~~ PUC is a crime.

Because the provisions of this bill ~~require action by the commission to implement its requirements, a violation of the commission's requirements are within the act and a violation of the bill's requirements would be a crime, the bill~~ would impose a state-mandated local program by creating a new crime.

~~(2) Existing law defines weatherization and requires each publicly owned electric and gas utility that provides the energy for space heating for low-income customers to provide home weatherization services for those customers if a significant need for those services exists in the utility's service territory, taking into consideration both the cost-effectiveness of the services and the public policy of reducing~~

financial hardships facing low-income households. Existing law requires each publicly owned electric and gas utility to submit a biennial report to the State Energy Resources Conservation and Development Commission (Energy Commission) describing the status of its low-income weatherization programs.

This bill would require each local publicly owned electric utility and each local publicly owned gas utility with more than 55,000 residential customer service connections that does not already have such a program, on or before July 1, 2010, to adopt a pilot program to disclose, not less frequently than quarterly, either in a separate mailing or on the billing statement of a residential subscriber, information documenting the amount of energy used by the metered residence compared to similar residences in the subscriber's geographical area. The bill would require each local publicly owned electric utility and each local publicly owned gas utility adopting a pilot program pursuant to the above-described requirement, to identify those residences that used significantly more energy during the period than was used by similar residences with comparable household square footage in the subscriber's geographical area and to ensure that information is provided most frequently to those subscribers on energy saving strategies or programs available to assist in financing energy efficiency improvements, in addition to the above-described information relative to energy usage. The bill would require each local publicly owned electric utility and each local publicly owned gas utility adopting a pilot program pursuant to the above-described requirement, on or before July 1, 2011, and by July 1 each year thereafter, to report to the Energy Commission on the energy savings resulting from the pilot program adopted by the utility pursuant to these requirements. These requirements would become inoperative on July 1, 2014, and would repeal on January 1, 2015. By placing additional requirements upon local publicly owned electric and gas utilities, the bill would impose a state-mandated local program.

(2) *The Warren-Alquist State Energy Resources Conservation and Development Act establishes the Energy Commission and requires it to prepare an integrated energy policy report on or before November 1, 2003, and every 2 years thereafter. Existing law requires the Energy Commission, on or before November 1, 2007, and every 3 years thereafter, in consultation with the PUC and local publicly owned electric utilities, in a public process that allows input from other stakeholders, to develop a statewide estimate of all potentially achievable cost-effective electricity and natural gas efficiency savings*

and establish statewide annual targets for energy efficiency savings and demand reduction over 10 years. Existing law requires the Energy Commission to include in the integrated energy policy report, for each electrical corporation and each gas corporation, a comparison of the public utility's annual energy efficiency targets, and the public utility's actual energy efficiency savings and demand reductions.

Existing law requires each local publicly owned electric utility, as defined, in procuring energy, to first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. Existing law requires each local publicly owned electric utility to report annually to its customers and to the Energy Commission, its investment in energy efficiency and demand reduction programs, as specified. Existing law requires a local publicly owned electric utility, on or before June 1, 2007, and every 3 years thereafter, to identify all potentially achievable cost-effective electricity efficiency savings and to establish annual targets for energy efficiency savings and demand reduction over 10 years. Existing law requires a local publicly owned electric utility to report those targets to the Energy Commission within 60 days of the date of adoption.

This bill would require each local publicly owned electric utility having a comparative electricity usage disclosure program, as defined, to report to the Energy Commission the nature of the utility's program and the energy savings resulting from that program on or before March 15, 2010, and each March 15 thereafter to, and including, March 15, 2015. The bill would allow a local publicly owned electric utility that has not completed the implementation of its program prior to March 15, 2010, to make its initial report to the Energy Commission on or before March 15, 2011. The bill would authorize the Energy Commission to request additional information from a local publicly owned electric utility that the Energy Commission determines is needed to evaluate the potentially achievable cost-effective electricity efficiency savings achievable through an expansion or statewide deployment of comparative electricity usage disclosure programs. The bill would authorize the PUC, for comparison purposes in performing the above-described evaluation, to request that the Energy Commission supply the PUC with the information supplied by a local publicly owned electric utility about its comparative electricity usage disclosure program. These requirements would become inoperative on July 1, 2015, and would repeal on January 1, 2016.

This bill would require that the Energy Commission, in developing a statewide estimate of all potentially achievable cost-effective electricity and natural gas efficiency savings and establishing targets for statewide annual energy efficiency savings and demand reduction, to consider the information supplied relative to comparative energy or electricity usage disclosure programs.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 25310 of the Public Resources Code is*
2 *amended to read:*

3 25310. On or before November 1, 2007, and by November 1
4 of every third year thereafter, the commission in consultation with
5 the Public Utilities Commission and local publicly owned electric
6 utilities, in a public process that allows input from other
7 stakeholders, shall develop a statewide estimate of all potentially
8 achievable cost-effective electricity and natural gas efficiency
9 savings and establish targets for statewide annual energy efficiency
10 savings and demand reduction for the next 10-year period. The
11 commission shall base its estimate at least in part on information
12 developed pursuant to Sections 454.55, 454.56, ~~and 9615~~ 715,
13 ~~9615, and 9615.5~~ of the Public Utilities Code. The commission
14 shall, for each electrical corporation and each gas corporation,
15 include in the integrated energy policy report, a comparison of the
16 public utility's annual targets established pursuant to Sections
17 454.55 and 454.56, and the public utility's actual energy efficiency
18 savings and demand reductions.

19 *SEC. 2. Section 715 is added to the Public Utilities Code, to*
20 *read:*

21 715. (a) *For purposes of this section, the following terms have*
22 *the following meanings:*

23 (1) *"Comparative energy usage disclosure program" means a*
24 *program pursuant to which an electrical corporation or gas*

1 corporation discloses information to residential subscribers
2 relative to the amount of energy used by the metered residence
3 compared to similar residences in the subscriber's geographical
4 area.

5 (2) "Experimental design" with respect to an energy efficiency
6 evaluation has that meaning as described on pages 30 and 31 of
7 the commission's publication titled "California Energy Efficiency
8 Evaluation Protocols: Technical, Methodological, and Reporting
9 Requirements for Evaluation Professionals" and dated April 2006.

10 (b) In order for the commission to evaluate potential energy
11 savings that can be achieved through behavioral change, on or
12 before March 15, 2010, and each March 15 thereafter to, and
13 including, March 15, 2015, each electrical corporation and gas
14 corporation having a comparative energy usage disclosure
15 program shall report to the commission the nature of the utility's
16 program and the energy savings resulting from that program. An
17 electrical corporation or gas corporation that has not completed
18 the implementation of its comparative energy usage disclosure
19 program prior to March 15, 2010, may make its initial report to
20 the commission pursuant to this subdivision on or before March
21 15, 2011.

22 (c) (1) The commission shall, using an experimental design,
23 evaluate the information supplied by electrical corporations and
24 gas corporations relative to their comparative energy usage
25 disclosure programs and determine the net energy savings that
26 are currently being achieved and which could be achieved through
27 expansion of comparative energy usage disclosure programs.

28 (2) The commission may request additional information from
29 an electrical corporation or gas corporation that the commission
30 determines is needed to perform the evaluation pursuant to
31 paragraph (1). An electrical corporation or gas corporation from
32 which the commission requests additional information shall timely
33 provide the commission with the information requested if it is
34 reasonably available. The commission may, for comparison
35 purposes, additionally request that the Energy Commission supply
36 the commission with that information supplied by a local publicly
37 owned electric utility pursuant to Section 9615.5.

38 (d) The commission shall report to the Energy Commission and
39 the Legislature on the results of its evaluation and any action
40 undertaken by the commission in response to the evaluation.

1 (e) *Nothing in this section limits the authority of the commission,*
2 *pursuant to paragraph (3) of subdivision (e) of Section 739, to*
3 *require an electrical corporation or gas corporation to disclose*
4 *comparative energy usage information on the billing statement of*
5 *a residential customer.*

6 (f) *This section shall become inoperative on July 1, 2015, and,*
7 *as of January 1, 2016, is repealed, unless a later enacted statute,*
8 *that becomes operative on or before January 1, 2016, deletes or*
9 *extends the dates on which it becomes inoperative and is repealed.*

10 SEC. 3. *Section 9615.5 is added to the Public Utilities Code,*
11 *to read:*

12 9615.5. (a) *For purposes of this section, “comparative*
13 *electricity usage disclosure program” means a program pursuant*
14 *to which a local publicly owned electric utility discloses*
15 *information to residential subscribers relative to the amount of*
16 *electricity used by the metered residence compared to similar*
17 *residences in the subscriber’s geographical area.*

18 (b) *In order for the Energy Commission to evaluate potential*
19 *cost-effective energy savings and demand reductions that can be*
20 *achieved through behavioral change and to incorporate that*
21 *information in establishing targets for statewide annual energy*
22 *efficiency savings pursuant to Section 25310 of the Public*
23 *Resources Code, on or before March 15, 2010, and each March*
24 *15 thereafter to, and including, March 15, 2015, each local publicly*
25 *owned electric utility having a comparative electricity usage*
26 *disclosure program, shall report to the Energy Commission the*
27 *nature of the utility’s program and the energy savings resulting*
28 *from that program. A local publicly owned electric utility that has*
29 *not completed the implementation of its comparative energy usage*
30 *disclosure program prior to March 15, 2010, may make its initial*
31 *report to the Energy Commission pursuant to this subdivision on*
32 *or before March 15, 2011.*

33 (c) *The Energy Commission may request additional information*
34 *from a local publicly owned electric utility that the Energy*
35 *Commission determines is needed to evaluate the potentially*
36 *achievable cost-effective electricity efficiency savings achievable*
37 *through an expansion or statewide deployment of comparative*
38 *electricity usage disclosure programs.*

39 (d) *This section shall become inoperative on July 1, 2015, and,*
40 *as of January 1, 2016, is repealed, unless a later enacted statute,*

1 *that becomes operative on or before January 1, 2016, deletes or*
2 *extends the dates on which it becomes inoperative and is repealed.*

3 SECTION 1. Chapter 6.1 (commencing with Section 2795) is
4 added to Part 2 of Division 1 of the Public Utilities Code, to read:

5
6 CHAPTER 6.1. ENERGY USAGE DISCLOSURE PILOT PROGRAM
7

8 2795. In order to encourage energy savings through behavioral
9 change, on or before July 1, 2010, the commission shall require
10 each electrical corporation and each gas corporation with more
11 than 55,000 residential customer service connections that does not
12 already have such a program, to adopt a pilot program to disclose,
13 not less frequently than quarterly, either in a separate mailing or
14 on the billing statement of a residential subscriber, information
15 documenting the amount of energy used by the metered residence
16 compared to similar residences in the subscriber's geographical
17 area. The commission shall ensure that the pilot program reaches
18 a statistically significant sampling of utility customers from, where
19 applicable, diverse geographical areas, climate zones, and
20 socioeconomic backgrounds.

21 2796. The commission shall require each electrical corporation
22 and each gas corporation having a preexisting pilot program or a
23 pilot program adopted pursuant to Section 2795, to identify those
24 residences that used significantly more energy during the period
25 than was used by similar residences with comparable household
26 square footage in the subscriber's geographical area and ensure
27 that information is provided most frequently to those subscribers
28 on energy saving strategies or programs available to assist in
29 financing energy efficiency improvements, in addition to the
30 information required pursuant to Section 2795. A utility customer
31 may expressly consent to receive this information through
32 electronic mail rather than through the United States Postal Service.

33 2797. On or before July 1, 2011, and each July 1 thereafter,
34 each electrical corporation and each gas corporation having a
35 preexisting program or a pilot program adopted pursuant to Section
36 2795, shall submit to the commission and the Legislature a report
37 on the energy savings resulting from the program. The commission
38 shall assess the energy savings resulting from the program and
39 include those savings in the commission's evaluation of the utility's
40 overall energy efficiency programs and in establishing targets for

1 the utility pursuant to Section 454.55 or 454.56. Energy savings
2 shall be measured using methodologies meeting the suggestions
3 of the National Action Plan for Energy Efficiency, a private-public
4 initiative to create a sustainable, aggressive national commitment
5 to energy efficiency through the collaborative efforts of the natural
6 gas and electrical industries, utility regulators, and other partner
7 organizations and facilitated by the United States Department of
8 Energy and the United States Environmental Protection Agency.

9 2798. The cost of any pilot program adopted pursuant to this
10 chapter shall be recovered only from the residential ratepayers of
11 the electrical corporation or gas corporation.

12 2799. This chapter shall become inoperative on July 1, 2014,
13 and, as of January 1, 2015, is repealed, unless a later enacted
14 statute, that becomes operative on or before January 1, 2015,
15 deletes or extends the dates on which it becomes inoperative and
16 is repealed.

17 SEC. 2. Section 9505 is added to the Public Utilities Code, to
18 read:

19 9505. (a) In order to encourage energy savings through
20 behavioral change, on or before July 1, 2010, each local publicly
21 owned electric utility and each local publicly owned gas utility
22 with more than 55,000 residential customer service connections
23 that does not already have such a program, shall adopt a pilot
24 program to disclose, not less frequently than quarterly, either in a
25 separate mailing or on the billing statement of a residential
26 subscriber, information documenting the amount of energy used
27 by the metered residence compared to similar residences in the
28 subscriber's geographical area. The governing board of the utility
29 shall ensure that the pilot program reaches a statistically significant
30 sampling of utility customers from, where applicable, diverse
31 geographical areas, climate zones, and socio-economic
32 backgrounds.

33 (b) Each local publicly owned electric utility and each local
34 publicly owned gas utility with more than 55,000 residential
35 customer service connections that adopts a pilot program pursuant
36 to this section shall identify those residences that used significantly
37 more energy during the period than was used by similar residences
38 with comparable household square footage in the subscriber's
39 geographical area and ensure that information is provided most
40 frequently to those subscribers on energy saving strategies or

1 ~~programs available to assist in financing energy efficiency~~
2 ~~improvements, in addition to the information required pursuant to~~
3 ~~subdivision (a). A utility customer may expressly consent to receive~~
4 ~~this information through electronic mail rather than through the~~
5 ~~United States Postal Service.~~

6 ~~(e) On or before July 1, 2011, and each July 1 thereafter, each~~
7 ~~local publicly owned electric utility and each local publicly owned~~
8 ~~gas utility with more than 55,000 residential customer service~~
9 ~~connections that adopts a pilot program pursuant to this section~~
10 ~~shall report to the Energy Commission on the energy savings~~
11 ~~resulting from the pilot program adopted by the utility pursuant to~~
12 ~~subdivision (a). Energy savings shall be measured using~~
13 ~~methodologies meeting the suggestions of the National Action~~
14 ~~Plan for Energy Efficiency, a private-public initiative to create a~~
15 ~~sustainable, aggressive national commitment to energy efficiency~~
16 ~~through the collaborative efforts of the natural gas and electrical~~
17 ~~industries, utility regulators, and other partner organizations and~~
18 ~~facilitated by the United States Department of Energy and the~~
19 ~~United States Environmental Protection Agency.~~

20 ~~(d) This section shall become inoperative on July 1, 2014, and,~~
21 ~~as of January 1, 2015, is repealed, unless a later enacted statute,~~
22 ~~that becomes operative on or before January 1, 2015, deletes or~~
23 ~~extends the dates on which it becomes inoperative and is repealed.~~

24 ~~SEC. 3.~~

25 *SEC. 4.* No reimbursement is required by this act pursuant to
26 Section 6 of Article XIII B of the California Constitution for certain
27 costs that may be incurred by a local agency or school district
28 because, in that regard, this act creates a new crime or infraction,
29 eliminates a crime or infraction, or changes the penalty for a crime
30 or infraction, within the meaning of Section 17556 of the
31 Government Code, or changes the definition of a crime within the
32 meaning of Section 6 of Article XIII B of the California
33 Constitution.

34 With respect to certain other costs, no reimbursement is required
35 by this act pursuant to Section 6 of Article XIII B of the California
36 Constitution because a local agency or school district has the
37 authority to levy service charges, fees, or assessments sufficient

- 1 to pay for the program or level of service mandated by this act,
- 2 within the meaning of Section 17556 of the Government Code.

O